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ARIZONA

LABOR MARKET INFORMATION NEWSLETTER

Vol. X No. 5
May 1986

Unemployment Rate

Seasonally Adjusted
March*

ARIZONA	6.5%
Maricopa Co.	5.3%
Pima Co.	5.3%
UNITED STATES	7.2%

Consumer Price Index

National-March
1967 = Base Year

Wage Earner/Clerical Worker	321.4
% Chg. Yr. Ago	1.9
All Urban	326.0
% Chg. Yr. Ago	2.3

Phoenix-1st Qtr. 1986
1977 = Base Year

All Urban	191.6
% Chg. Yr. Ago	2.0

Tucson-1st Qtr. 1986
1st Qtr. 1983 = Base Qtr.

All Urban	115.7
% Chg. Yr. Ago	2.2

* Preliminary

Arizona & Its Foreign-Born: A Mutualistic Relationship

Arizona is growing at an impressive rate. Between 1970 and 1980, Arizona's population grew an average of 4.4 percent per year. Since the 1980 Census, Arizona has grown an estimated 15.9 percent, ranking second behind Alaska. Between 1970 and 1980, Arizona added an average of 94,000 people per year to its population; the increase for the 1980s amounts to an average of 100,000 per year. What is the source of this striking population growth? Migration...for the most part.

Any future population gains can be substantially altered by the net in-migration pattern changes, which are affected both by national and local economic conditions. During the 1970s, three-fourths of the gain in population was the result of migration; during the 1980s, two-thirds.

Foreign-born immigrants account for nearly 10 percent of the net in-migration positive balance (in-migration less out-migration) to the state. The influx of about 6,000 foreign-born individuals per year to Arizona's mainstream should, in the long-run, make an impact on most of the state's socioeconomic components--particularly on its labor supply.

Just how well are foreign-born individuals doing economically? What are their labor market experiences? And what sort of influence have they had on Arizona's labor market? By utilizing data from the Census

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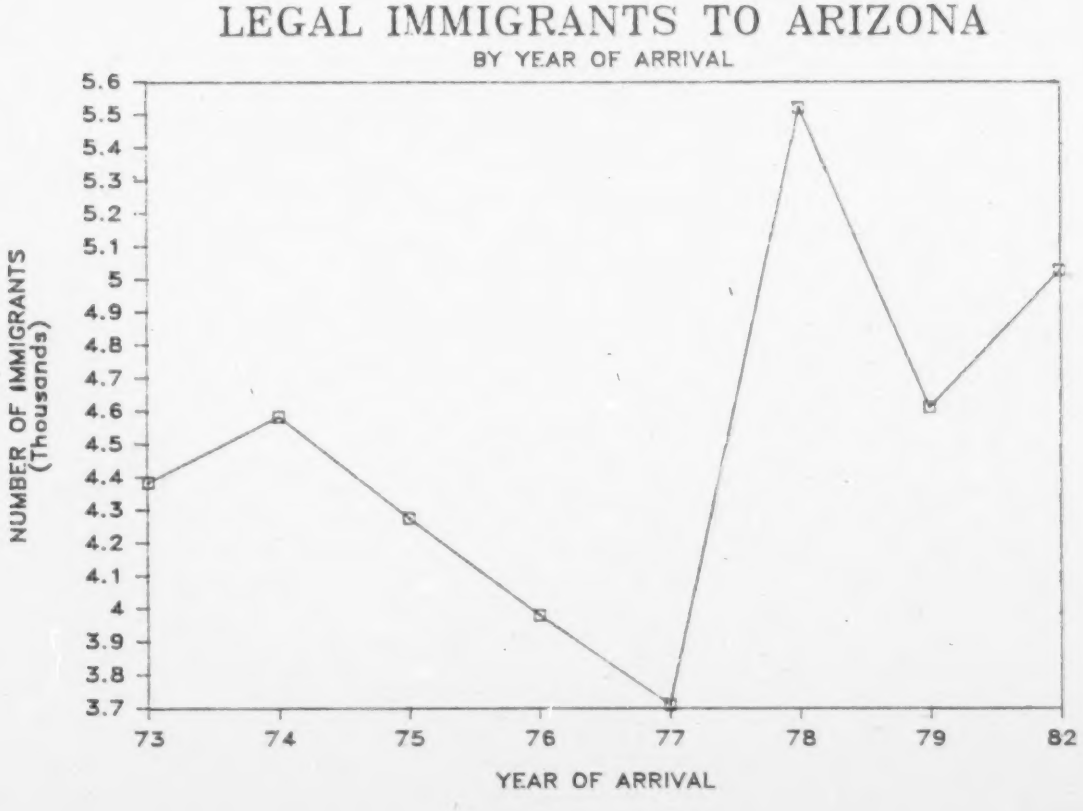
Arizona Labor Market Information Newsletter
WINNER OF THE ICESA 1985 LMI PUBLICATION AWARD

Nancy Augustin, editor
Processed by RA Clerical Support Unit

Bureau and the Immigration and Naturalization Service, this article may provide some enlightenment on the subject.

Foreign immigrant data should be analyzed with care because every source represents a piece of the ever-dynamic, flowing puzzle: the foreign-born immigration net balance. Much of the data on immigrant population flows (movement of foreign people in and out of an area in a particular time period) is estimated by the Census Bureau based on data from: 1) the Immigration and Naturalization Service on the number of legal immigrants entering the country and, 2) the Office of Refugee Resettlement on the number of refugees entering the country. The Census Bureau supplements these data by estimating emigration and undocumented immigration from data on population stocks (number of foreign people in a given area at a particular time), primarily from the 1980 Decennial Census.

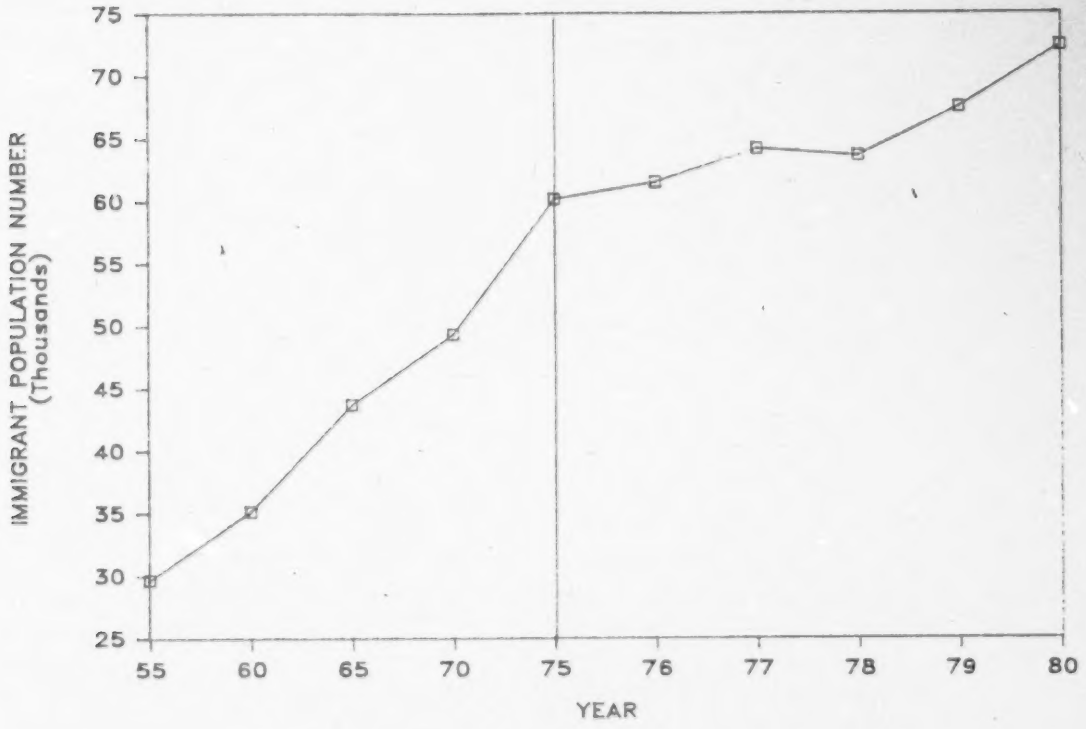
Studies of the foreign-born at the national level (see Monthly Labor Review, July 1985) show that recently arrived immigrants experience major difficulties in the labor market, especially during their first years in the country. But with the passage of time, a pattern of substantial upward mobility



follows, and their employment and earnings approach the levels of native-born workers. In a little over a decade, foreign-born males reached earnings equality with their U.S.-born counterparts. Thereafter, they actually have higher earnings--a fact substantiated by Barry Chiswick in his analysis of 1970 Census data. In Arizona, individuals born abroad who immigrated prior to 1970 had, by 1980, almost reached the same employment and earnings status of native-born, while arrivals after 1970 showed a substantial deficiency, following the national pattern.

Arizona's positive rate of in-migration is one of the by-products of economic expansion. For many years, the state's broadening economic base has been absorbing a tremendous growth in labor force while maintaining its unemployment rate below the nation's average. Arizona not only has become attractive to interstate migrants, but increasingly so to international immigrants. The 1980 Census of population revealed the fact that, of the 162,806 foreign-born individuals living in Arizona, almost 40 percent came during the 1970s.

ARIZONA LEGAL IMMIGRANT POPULATION



This figure includes all foreign-born Arizona residents regardless of immigration status. The number of illegal immigrants in Arizona is estimated at 25,000 by the the Census Bureau.

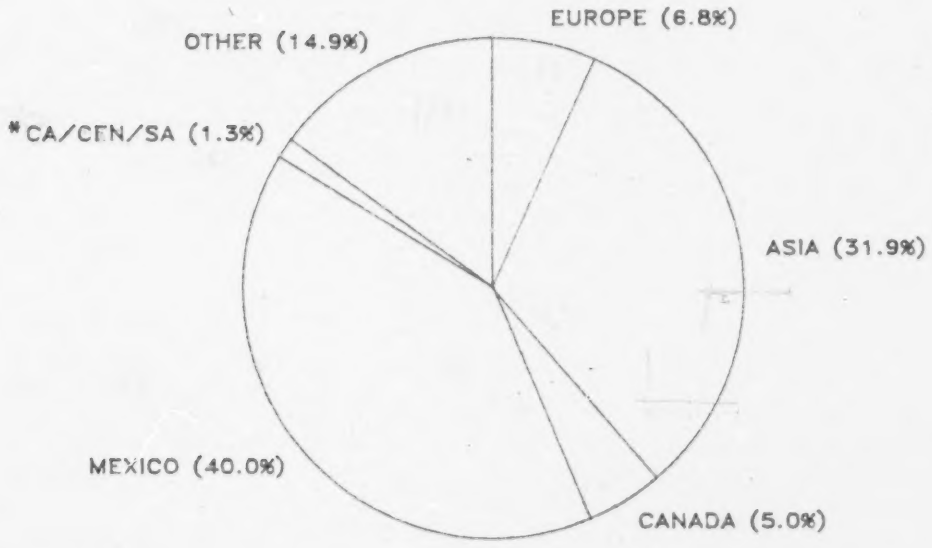
In addition to the dramatic immigration increase in recent years, there has been a significant shift in the geographical origins of immigrants, their education, and the motivating circumstances that brought them here. Asians, for example, represent 32 percent of the foreign-born who arrived in Arizona during 1982, while their propor-

tion during the 1970s was 20 percent. Currently, Asians are the fastest growing and the best educated minority group in the United States. Also, the proportion of immigrants from Europe declined 5 percent in 1982. However, the largest share of immigrating individuals came from Mexico. They comprised 53 percent of all foreign-born who arrived in Arizona during the 1970s.

Arizona's foreign-born situation should be analyzed from a different perspective due to the fact that most of the undocumented immigration comes to the United States through the Southern frontier, and Arizona shares a part of it. Since 1970, economic and political factors abroad have compelled an increasing number of people to leave their native country. The United States, with a higher standard of living, and Arizona in particular--because of its economic growth and proximate location--is becoming a popular destination to an increasing number of immigrants. For this reason, Arizona's foreign-born (primarily those who arrived after 1970) are a remarkably dichotomous group of people whose differences begin with their geographic place of origin.

ARIZONA LEGAL IMMIGRANTS 1982

BY PLACE OF ORIGIN



* Caribbean, Central and South America

EDUCATION

Nearly 30 percent of those immigrants 25 years of age or older who arrived in Arizona from Mexico or Cuba during the 1970s had less than five years of schooling, compared with only 3.8 percent of Arizona's population and about 7 percent of the immigrants from other countries. By contrast, only 3.2 percent of the immigrants from

Mexico had four or more years of college education, compared to at least 25 percent of the individuals arriving from other countries and 17 percent of Arizona's population. The foreign-born who arrived prior to 1970 had lower educational levels than Arizona's native-born, while the most recent arrivals can be divided virtually in half: one group with higher educational levels and another group with substantially lower educational levels than Arizona's native-born.

The educational gap between immigrant groups becomes significant for the assessment of their impact and status in the labor force. When these two contrasting groups are treated as a whole, a distorted image could result and erroneous conclusions could be drawn. Education plays a major role in the employability of most individuals, but in the case of foreign immigrants it is essential--especially during the initial five years after arrival when their earnings and occupational status are lower and their unemployment is high. Surely, during this adjustment period foreign individuals gain a better command of the English language while at the same time they obtain work experience, references, and a working record in their adopted country. This, without a doubt, contributes to to their upward mobility in the future.

OCCUPATIONS

The occupational distribution of the foreign-born in Arizona mirrors their educational attainment distribution. Most Mexican immigrants in 1980 were employed in low-skill, blue-collar occupations. Three out of five native-born workers in Arizona and two out of five immigrants from countries other than Mexico were employed in white-collar occupations, typically professional and managerial or clerical and sales positions. In contrast, only 13 percent of Mexican immigrants were employed in white-collar occupations, and over 30 percent of them held jobs as laborers or machine operators. On the other hand, immigrants who arrived prior to 1970 (regardless of their place of origin), had an occupational distribution very similar to Arizona's native-born individuals.

Income characteristics for the immigrant groups also follow the educational and occupational distribution pattern. However, there is an underlying fact about Arizona's foreign-born population according to their place of origin. This is that Mexican immigrant data includes about 20,000 undocumented individuals whose goals are of a different nature than the objectives of legal immigrants or future citizens. Therefore, their preparation, background, and characteristics are equally different.

LABOR MARKET IMPACT

The most meaningful economic effect of foreign immigration is that it leads to an increase in the labor force. This is mainly because foreign-born immigrants' median age is 25.1, with a labor force participation rate of about 60 percent. Unemployment rates of immigrants who arrived in Arizona during the 1970s range from 3.1 to 12.5, depending upon their place of origin. These figures compare quite favorably with unemployment figures of individuals from other target groups (e.g., dropout-teenagers), indicating that Arizona has been receptive to the skills that foreign-born individuals had to offer.

The 1970s was a decade of enormous growth for Arizona. The labor force nearly doubled, while wage and salary employment rose by about 85 percent. Services increased by 127 percent; followed by construction, 106 percent; trade and FIRE, 91 percent; TCPU, 71 percent; and manufacturing, 69 percent. In all, Arizona created 581,000 jobs in the 1970s, and nearly 4 percent of them were obtained by immigrants arriving during those years.

Luckily for immigrants, the majority of new, emerging jobs during the 1970s (and persistently through the 1980s) have been entry-level positions in the services-producing industries: e.g., retail sales, office clerks, waiters and waitresses, bookkeeping clerks, etc. This is precisely the type of job sought by most recently arrived immigrants. Perhaps this explains the relatively low rate of unemployment experienced by new immigrants who found an ideal environment in Arizona's receptive labor mar-

ket, which had managed to absorb the increasing supply of foreign labor.

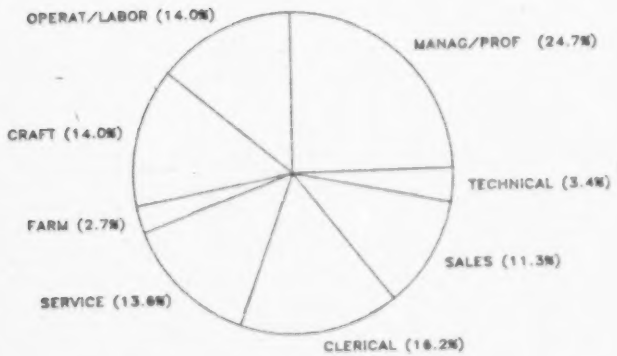
Arizona's Foreign-Born Occupational Growth Rate 1970-1980

Managerial and Professional	40%
Technical	54
Sales	31
Clerical	38
Services	59
Farm	85
Craft	51
Operatives & Laborers	73

A major study: Recent Immigrants to Los Angeles: Characteristics and Labor Market Impacts, by Thomas J. Espenshade and Tracy Ann Goodis of the Urban Institute of Washington, D.C., focused on the impact of Mexican immigrants on black unemployment in southern California. Blacks were chosen because their socioeconomic characteristics made them vulnerable to the presence of Mexican immigrants. Results of the study confirmed that the presence of Mexican immigrants:

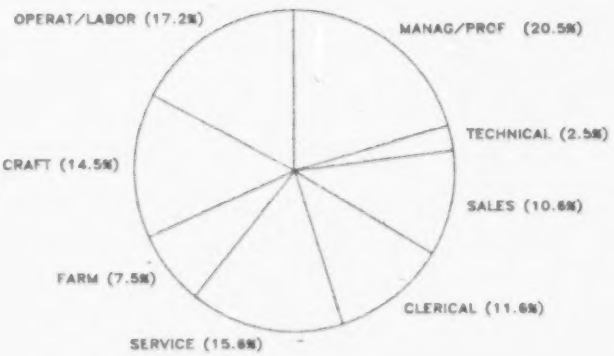
OCCUPATIONAL DISTRIBUTION–ARIZONA 1980

*ARIZONA POPULATION 1980



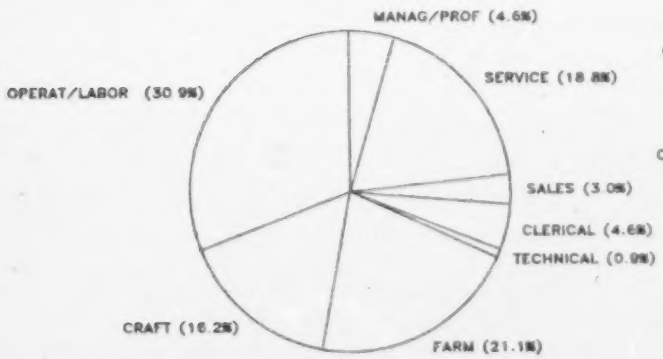
*Native-born Population

IMMIGRANTS BEFORE 1970

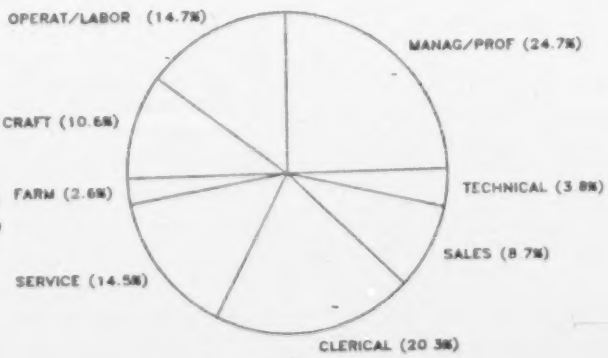


IMMIGRANTS BETWEEN 1970–1980

IMMIGRANTS FROM MEXICO



FROM COUNTRIES OTHER THAN MEXICO



*Native-born Population

- Does not decrease labor force participation of other groups.
- Does not provide evidence of sharp job competition between Blacks and immigrants reflected in unemployment rate trends.
- Does not provide evidence that Mexican immigrants take away jobs from Blacks.

Other findings of the report include:

- Mexicans, and in all likelihood other immigrant groups, reduced the average wages in manufacturing and some services. This fact reflects the increasing number of immigrants into those industries, but not necessarily the decrease of individual wages.
- Immigrants may have slightly depressed the wages of non-Hispanics working as laborers, but their impact on the wages paid to non-Hispanics in semi-skilled and skilled occupations is for the most part, negligible.

Contrary to popular belief, the data tends to support the fact that a mutualistic relationship exists between foreign-born immigrants and Arizona's labor market. Ideally, knowledge of the numbers of foreign arrivals, their characteristics, and geographic origin would be most helpful for economic planning and to better evaluate the quantity and the quality of the labor supply in Arizona.

Clara Dunn

SOURCES: U.S. Congress. House. Subcommittee on census and population of the committee on Post Ofice and Civil Service. Demographic Impact of Immigration on the United States. Serial No. 99-8, 99th Congress, First Session, 1985.

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Sehgal, Ellen. "Foreign-born in the U.S. Labor Market: The Results of A Special Survey." Monthly Labor Review, July, 1985, pp.18-23.

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Veterans Job Training Program Renewed

Employers can again receive reimbursement of a portion of an employee's salary by hiring a veteran certified under the Veterans Job Training (VJT) program. The program is designed to provide full time, permanent employment to unemployed Korean or Vietnam era veterans. Veterans can be certified through the local Job Service offices.

Employers must also be certified. This can be accomplished by contacting the local Job Service office. Once certified, an employer hiring a veteran in the program can receive one-half of the starting salary of the veteran up to $10,000 per VJT employee. By establishing an employer-needs based training program, the company may be paid up to 15 months for certain disabled Vets and up to nine months for others.

Enrollment in the program is a one-step process that can be started by calling the local Job Service office. The payment to the employer is a check from the VA on a monthly or quarterly basis depending on the size of the company. Any employer--public, nonprofit, or private sector--is eligible to participate. There are no restrictions on the type of business nor the type of job. Under the previous program, Arizona Job Service staff placed 961 Arizona veterans in jobs.

Job Service local offices can provide:

- Additional information on the program;
- Necessary forms to enroll in the program;
- Assistance in filling out the forms;
- Training guidelines for specific jobs;
- Referral of certified veterans to an employer;
- Follow-up to ensure an employer is reimbursed.

The Job Service office in your local area is listed in the phone book under government listings, State of Arizona.

Arizona Unemployment Insurance Activities - February 1986

	February 1986	January 1986	February 1985	% Change From One Year Ago
Arizona Claimants Served*	28,442	33,338	25,746	+10.5%
Arizona Average Weeks Unemployed**	8.8	8.2	8.5	+ 3.5%
Arizona Benefits Paid*	$ 9,087,413	$ 10,767,507	$ 8,017,128	+13.3%
Arizona Trust Fund Balance	$338,877,174	$326,009,229	$251,846,691	+34.6%

*All Programs **UI Only

The Arizona Labor Force in March

Recently the national economy has shown substantial sluggishness, with unemployment increasing and job creation in the goods-producing side of the economy either flat or declining. While Arizona continues to be affected by those same forces, our economy remains strong. Unemployment has remained flat recently with employment growth still quite good, as the service-producing side of the economy stays strongest. Job growth over the last 12 months has been 5.6 percent. Although that is considerably below our experience in both 1984 and 1985, it remains considerably above the national performance of 3.0 percent.

Looking at the economy by industry and area, the situation is little changed over its performance of the last few months. The Phoenix and Tucson areas remain healthiest as rapid population growth, moderately strong manufacturing activity, and a rebounding construction industry combine to create jobs. Only one major industry showed a drop in employment in March. The transportation, communications, and public utility industry registered a drop as seasonal maintenance of a power plant was completed. But otherwise, even the state's mining industry saw an increase of 200 jobs.

Particularly encouraging in March was the apparent recovery that construction employment is enjoying, as 600 jobs were added. Although mortgage rates have been declining recently, the completion of many large commercial projects was significant enough to offset gains in residential construction. This is the first increase in employment that the industry has seen in seven months, and it would appear that similar increases lie ahead. But considering the other problems that haunt this sector of the economy, the recovery is expected to be modest.

In manufacturing, strength in aerospace hiring continues to offset losses in electronics and other high technology companies. A total of 300 jobs were added in manufacturing as electronics lost 300 jobs and aerospace added 500. The outlook seems to be improving slowly, as evidenced by a rising book-to-bill ratio that has been over 1.0 for three months. But overall, the weak national and international economies will keep employment from growing more rapidly.

Notwithstanding the moderate growth that manufacturing, mining, and construction enjoyed in March, the service-producing side of the economy remains our fastest growing area. Approximately nine out of every 10 jobs created in March came from service-producing businesses. Some of the growth came in seasonal areas as winter tourism, tax preparation, and government hiring added many jobs. But as well, the state's finance, insurance, and real estate industry continued to hire at a very rapid rate. Deregulation, combined with falling interest rates that have spurred home sales and

refinancing of existing loans, have accounted for most of the growth. Along with an increased demand for restaurants, food stores, health care, and other services that are a result of an expanding population, the outlook throughout Arizona's service-producing industries is good.

Employment growth remains steady and the outlook is for more of the same. We are not isolated from forces nationally that continue to depress activity, but our mix of businesses and rate of population growth work to our advantage. The months ahead may record higher unemployment rates, but the likelihood that our unemployment rate will rise above the national rate has diminished recently.

Dan Anderson

Arizona Labor Force and Employment

March 1986 (in thousands)

	ARIZONA				
				-- Amt Change --	
	Mar.* 1986	Feb. 1986	Mar. 1985	Feb. to Mar.	1985 to 1986
TOTAL CIVILIAN LABOR FORCE**	1550.1	1533.1	1465.0	+17.0	+85.1
Total Unemployment	99.7	99.9	90.5	-0.2	+9.2
Rate	6.4	6.5	6.2	---	---
Rate (Sea. Adj.)***	6.5	6.5	6.3	---	---
Total Employment	1450.4	1433.2	1374.5	+17.2	+75.9

The Above Labor Force Statistics Should N

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK

TOTAL WAGE AND SALARY	1332.9	1320.7	1262.4	+12.2	+70.5
Manufacturing	181.4	181.1	179.5	+0.3	+1.9
Durable Goods	142.7	142.5	142.0	+0.2	+0.7
Stone, Clay and Glass	7.9	7.9	7.8	+0.0	+0.1
Primary and Fabricated Metals	16.2	16.4	17.1	-0.2	-0.9
Primary Metals	7.8	7.9	7.7	-0.1	+0.1
Fabricated Metals	8.4	8.5	9.4	-0.1	-1.0
Machinery	64.5	64.8	70.3	-0.3	-5.8
Other Durable Goods	54.1	53.4	46.8	+0.7	+7.3
Aircraft and Missiles	26.2	25.7	20.9	+0.5	+5.3
Lumber and Wood Products (Except Furniture)	7.4	7.5	6.9	-0.1	+0.5
All Other Durable Goods	20.5	20.2	19.0	+0.3	+1.5
Nondurable Goods	38.7	38.6	37.5	+0.1	+1.2
Food and Kindred Products	8.8	8.6	8.3	+0.2	+0.5
Apparel	4.8	5.0	4.7	-0.2	+0.1
Printing and Publishing	14.8	14.6	14.3	+0.2	+0.5
All Other Nondurable Goods	10.3	10.4	10.2	-0.1	+0.1
Mining and Quarrying	11.2	11.0	12.2	+0.2	-1.0
Copper Mining	8.7	8.6	9.5	+0.1	-0.8
Other Mining and Quarrying	2.5	2.4	2.7	+0.1	-0.2
Construction	109.9	109.3	107.8	+0.6	+2.1
Trans., Communications, and Public Utilities	63.9	64.1	61.8	-0.2	+2.1
Transportation	28.7	28.7	28.3	+0.0	+0.4
Communications and Public Utilities	35.2	35.4	33.5	-0.2	+1.7
Trade	331.6	329.1	307.7	+2.5	+23.9
Wholesale Trade	65.0	64.5	62.5	+0.5	+2.5
Retail Trade	266.6	264.6	245.2	+2.0	+21.4
General Merchandise and Apparel	40.1	40.2	39.3	-0.1	+0.8
Food Stores	39.9	40.2	37.3	-0.3	+2.6
Automotive and Service Stations	32.0	31.6	29.1	+0.4	+2.9
Eating and Drinking Places	98.8	97.4	88.3	+1.4	+10.5
Other Retail Trade	55.8	55.2	51.2	+0.6	+4.6
Finance, Insurance, and Real Estate	87.7	86.0	78.0	+1.7	+9.7
Services and Miscellaneous	315.4	310.6	291.5	+4.8	+23.9
Hotels and Other Lodging Places	32.5	31.6	30.2	+0.9	+2.3
Business Services	71.0	69.5	64.4	+1.5	+6.6
Health Services	77.5	76.6	72.7	+0.9	+4.8
Other Services	134.4	132.9	124.2	+1.5	+10.2
Government	231.8	229.5	223.9	+2.3	+7.9
Federal	41.2	40.9	39.7	+0.3	+1.5
State and Local	190.6	188.6	184.2	+2.0	+6.4
School	112.9	112.9	113.8	+0.0	-0.9

* Preliminary
** Labor force, unemployment, and employment are reported by place of residence.
*** Normal seasonal variations have been eliminated to reflect underlying economic trends.
NOTE--Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

March 1986 (in thousands)

MARICOPA COUNTY					PIMA COUNTY				
			-- Amt Change --					-- Amt Change --	
Mar.* 1986	Feb. 1986	Mar. 1985	Feb. to Mar.	1985 to 1986	Mar.* 1986	Feb. 1986	Mar. 1985	Feb. to Mar.	1985 to 1986
963.3	952.5	906.9	+10.8	+56.4	306.0	302.3	289.1	+3.7	+16.9
50.6	50.7	44.0	-0.1	+6.6	16.1	15.9	15.5	+0.2	+0.6
5.3	5.3	4.9	---	---	5.3	5.3	5.4	---	---
5.3	5.3	4.9	---	---	5.3	5.2	5.4	---	---
912.7	901.8	862.9	+10.9	+49.8	289.9	286.4	273.6	+3.5	+16.3

ot Be Used for Economic Assistance Programs

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK

877.8	869.8	831.1	+8.0	+46.7	241.4	241.9	229.9	+2.5	+14.5
128.8	128.8	131.1	+0.0	-2.3	33.2	32.9	30.5	+0.3	+2.7
102.6	102.6	105.1	+0.0	-2.5	27.9	27.7	25.5	+0.2	+2.4
4.8	4.9	4.8	-0.1	+0.0					
10.7	10.8	11.4	-0.1	-0.7					
50.6	50.9	56.5	-0.3	-5.9					
36.5	36.0	32.4	+0.5	+4.1					
26.2	26.2	26.0	+0.0	+0.2	5.3	5.2	5.0	+0.1	+0.3
5.5	5.5	5.6	+0.0	-0.1					
3.0	3.1	2.8	-0.1	+0.2					
10.7	10.5	10.4	+0.2	+0.3					
7.0	7.1	7.2	-0.1	-0.2					
0.6	0.6	0.6	+0.0	+0.0	2.1	2.1	2.5	+0.0	-0.4
76.2	76.3	76.7	-0.1	-0.5	21.7	21.2	20.0	+0.5	+1.7
42.0	41.8	40.0	+0.2	+2.0	9.2	9.2	9.1	+0.0	+0.1
19.6	19.6	19.2	+0.0	+0.4	4.4	4.3	4.2	+0.1	+0.2
22.4	22.2	20.8	+0.2	+1.6	4.8	4.9	4.9	-0.1	-0.1
228.5	226.7	210.4	+1.8	+18.1	54.4	53.9	50.7	+0.5	+3.7
51.9	51.5	49.4	+0.4	+2.5	7.5	7.4	7.2	+0.1	+0.3
176.6	175.2	161.0	+1.4	+15.6	46.9	46.5	43.5	+0.4	+3.4
25.9	25.9	25.2	+0.0	+0.7	7.2	7.2	7.4	+0.0	-0.2
25.9	26.1	23.9	-0.2	+2.0	6.5	6.4	6.0	+0.1	+0.5
20.5	20.2	18.6	+0.3	+1.9	5.4	5.4	4.7	+0.0	+0.7
65.7	64.7	57.9	+1.0	+7.8	18.1	18.0	16.4	+0.1	+1.7
38.6	38.3	35.4	+0.3	+3.2	9.7	9.5	9.0	+0.2	+0.7
68.8	67.4	61.2	+1.4	+7.6	12.5	12.4	11.0	+0.1	+1.5
215.6	211.8	198.5	+3.8	+17.1	59.4	58.9	55.1	+0.5	+4.3
18.9	18.4	18.3	+0.5	+0.6	5.9	5.7	5.1	+0.2	+0.8
58.1	56.7	52.9	+1.4	+5.2	10.3	10.2	9.1	+0.1	+1.2
51.9	51.2	48.2	+0.7	+3.7	16.2	16.1	15.5	+0.1	+0.7
86.7	85.5	79.1	+1.2	+7.6	27.0	26.9	25.4	+0.1	+1.6
117.3	116.4	112.6	+0.9	+4.7	51.9	51.3	51.0	+0.6	+0.9

-- Prepared by Labor Market Information, Research and Analysis (CPS, 1/86)

Nonmetropolitan Counties
Labor Force and Employment
March 1986

	Apache	Cochise	Coconino	Gila	Graham	Green-lee	La Paz
TOTAL CIVILIAN LABOR FORCE*.	15,150	35,550	38,450	12,425	7,850	2,975	4,550
Total Unemployment	2,850	2,925	3,625	2,025	825	300	725
Rate	18.8%	8.2%	9.4%	16.3%	10.5%	10.1%	15.9%
Rate (Seas. Adj.)**. . . .	19.6%	8.2%	9.1%	16.0%	10.6%	10.0%	-INA-
Total Employment	12,300	32,625	34,825	10,400	7,025	2,675	3,825
THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED FOR ECONOMIC ASSISTANCE PROGRAMS							
TOTAL WAGE AND SALARY. . . .	13,975	24,800	34,250	9,900	4,800	2,800	2,625
Manufacturing.	700	2,100	2,650	1,300	175	0	75
Mining and Quarrying	25	150	25	1,250	0	1,700	0
Construction	900	1,275	1.575	425	125	125	150
Trans., Comm., & Pub. Util..	1,675	1,675	2,775	375	150	50	50
Trade.	1,450	5,350	7,675	1,875	1,250	275	850
Fin., Insur., & Real Estate.	225	675	775	275	125	25	100
Services and Miscellaneous .	3,700	3,750	7,775	1,850	850	75	625
Government	5,300	9,825	11,000	2,550	2,125	550	775

	Mohave	Navajo	Pinal	Santa Cruz	Yavapai	Yuma
TOTAL CIVILIAN LABOR FORCE*.	27,025	25,575	34,800	8,975	32,425	35,050
Total Unemployment	2,875	3,775	4,350	950	2,425	5,375
Rate	10.6%	14.8%	12.5%	10.6%	7.5%	15.3%
Rate (Seas. Adj.)**. . . .	10.4%	14.4%	12.7%	12.9%	7.1%	-INA-
Total Employment	24,150	21,800	30,450	8,025	30,000	29,675
THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED FOR ECONOMIC ASSISTANCE PROGRAMS						
TOTAL WAGE AND SALARY. . . .	18,225	18,975	26,350	8,300	21,350	24,200
Manufacturing.	2,375	1,700	3,225	1,100	2,200	1,725
Mining and Quarrying	275	1,125	3,425	0	550	50
Construction	1,250	1,000	1,275	350	2,000	1,575
Trans., Comm., & Pub. Util..	1,075	1,525	925	525	950	925
Trade.	5,125	3,625	4,950	3,400	5,375	7,500
Fin., Insur., & Real Estate.	925	350	700	250	900	950
Services and Miscellaneous .	3,775	4,900	2,900	1,175	4,475	4,500
Government	3,425	4,750	8,950	1,500	4,900	6,975

*Adjusted to the Current Population Survey (CPS) to reflect place of residence.
**Seasonal adjustment not applicable for economic assistance programs.

NOTE--Series for Yuma and La Paz counties start January 1983. Data are not comparable to any past series.

Prepared in conjunction with the U.S. Department of Labor, Bureau of Labor Statistics.

Arizona Labor Force and Employment for Economic Assistance Programs March 1986

County	Civilian Labor Force	Employment	Unemployment	Rate
Statewide	1,550,145	1,450,430	99,715	6.4%
Apache	15,144	12,305	2,839	18.7
Cochise	35,540	32,616	2,924	8.2
Coconino	38,446	34,831	3,615	9.4
Gila	12,411	10,392	2,019	16.3
Graham	7,859	7,025	834	10.6
Greenlee	2,963	2,669	294	9.9
La Paz	4,543	3,822	721	15.9
Maricopa	963,333	912,703	50,630	5.3
Mohave	27,039	24,162	2,877	10.6
Navajo	25,586	21,801	3,785	14.8
Pima	306,010	289,933	16,077	5.3
Pinal	34,802	30,453	4,349	12.5
Santa Cruz	8,979	8,035	944	10.5
Yavapai	32,433	29,997	2,436	7.5
Yuma	35,057	29,686	5,371	15.3

These figures are the only official BLS labor statistics to be used for revenue sharing purposes. They are not designed to be used as economic indicators. Note: Series for Yuma and La Paz counties start January 1983. Data are not comparable to any past series.

Estimated Hours and Earnings of Production Workers in Selected Industries in Arizona March 1986

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVG. HOURLY EARNINGS		
	MAR.* 1986	FEB. 1986	MAR. 1985	MAR.* 1986	FEB. 1986	MAR. 1985	MAR.* 1986	FEB. 1986	MAR. 1985
FOR THE STATE OF ARIZONA*									
Manufacturing	391.38	395.50	384.17	40.6	40.9	41.0	9.64	9.67	9.37
Aircraft & Missiles	INA	INA	INA	INA	INA	INA	INA	INA	INA
Food & Kindred Products	382.53	384.99	329.66	41.0	41.0	40.8	9.33	9.39	8.08
Primary Metals	517.93	545.81	509.20	40.4	41.1	40.9	12.82	13.28	12.45
Machinery	347.38	339.29	335.02	38.9	38.6	39.6	8.93	8.79	8.46
Copper Mining	572.00	563.70	580.32	41.3	40.7	41.9	13.85	13.85	13.85
Construction	414.17	429.44	414.28	33.3	35.2	35.5	12.43	12.20	11.67
Utilities	587.20	592.04	565.50	43.4	43.5	43.5	13.53	13.61	13.00
Retail Trade**	241.33	237.38	229.44	33.8	33.2	33.3	7.14	7.15	6.89
Wholesale Trade	381.14	377.39	367.49	39.9	39.6	39.6	9.55	9.53	9.28

* Preliminary
** Excludes eating and drinking places.
NOTE--These estimates are based on a sample of full and part-time production and related employees whose payroll and hours are reported for the pay period which includes the 12th of the month. Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

--Prepared by Labor Market Information, Research and Analysis (1972 SIC, 1/86)

1986 Poverty Income Guidelines

The Department of Health and Human Services issued new poverty income guidelines on February 11, 1986. The guidelines listed below reflect changes in the Consumer Price Index. These poverty income guidelines are used as an eligibility criterion by a number of federal programs including the Job Training Partnership Act (JTPA).

The definitions used in determining "family size" and "income" are derived for the most part from language used by the U.S. Bureau of the Census "Current Population Reports." Prior to 1981, there was a distinction between poverty guidelines for farm families and nonfarm families. The poverty guidelines given below are applicable to both farm and nonfarm families.

By definition, a "family" is a group of two or more persons related by birth, marriage, or adoption who reside together; all such related persons are considered members of one family. If a household contains more than one family, the poverty guidelines are applied separately to each family, and not to the household as a whole.

A "family size of 1" is a person 15 years old or over (other than an inmate of an institution) who is not living with any relatives. Examples of unrelated individuals residing with others include a lodger, a foster child, a ward, or an employee.

"Income" refers to total annual cash receipts before taxes from all sources. These receipts include money wages and salaries before any deductions, but do not include food or rent in lieu of wages. They also include net receipts from nonfarm or farm self-employment such as receipts from a person's own business or farm after deductions for business or farm expenses.

Income also includes regular payments from social security, railroad retirement, unemployment compensation, strike benefits from union funds, veterans' benefits, public assistance including Supplemental Security Income, training stipends, alimony, child support, private pensions, regular insurance or annuity payments, income from dividends, interest, rents, royalties, periodic receipts from estates or trusts, and military family allotments or other regular support from an absent family member or someone not living in the household.

"Income" for eligibility purposes does not include capital gains, any assets drawn down as withdrawals from a bank, the sale of property, a house, a car, tax refunds, gifts, lump-sum inheritances, one-time insurance payments, or compensation for injury. Also excluded are non-cash benefits such as the employer-paid or union-paid portion of health insurance, food or rent received in lieu of wages, the value of food or fuel produced and consumed on farms, the imputed value of rent from owner-occupied nonfarm or farm housing, and such federal programs as Medicaid, food stamps, and public housing.

Jeff Bowman

Poverty Income Guidelines for All States
(except Alaska and Hawaii)

Family Size	Poverty Level
1	$ 5,360
2	$ 7,240
3	$ 9,120
4	$11,000
5	$12,880
6	$14,760
7	$16,640
8	$18,520
For Each Additional Person Add	$ 1,880

Better Educated Work Force Turns to Government for Statistics Supply

One of the great strengths of the American economy is its highly trained workers. We may not be cheap, but we are well-educated.

Currently, one-fourth of all adult workers (ages 24 to 64) have a college degree, and about one-sixth have at least some college training.

If present trends continue, by 1995 half of the adult labor force will have at least some college-level schooling.

This has not always been so. As recently as 1970, only 14 percent of adult workers had a college degree and only another 12 percent had completed one to three years of college.

Since 1970 the entire work force has grown 39 percent, but the number of college graduates in the work force has increased 144 percent. During the same period, workers without a high school diploma declined 36 percent.

With this increase in college-educated workers has come more administrative, managerial, and professional workers.

If the raw materials of a manufacturing worker are metals and fuels, then the raw materials of a college-trained office worker are information and statistics. For many years, the federal government has taken steps to assure a continuing flow of raw materials to our basic manufacturing industries. Federal agencies stockpile strategic metals, have oil reserves, and policies that encourage domestic production.

But because of the swiftness with which American workers have moved from the factory to the office, the strategic importance of information is not yet as evident. Fortunately, there are no significant foreign sources of information.

Unfortunately, the largest supplier of statistics is the federal government. The figures quoted above, for example, came from the Bureau of Labor Statistics' Research Summaries described in its Monthly Labor Review.

This rather dry compilation and brief explanation of labor force research conducted by the bureau staff is, in fact, an important production of information that has many purposes. Consider just these three:

- A would-be entrepreneur can find in these trends opportunities for serving the growing population of office workers with everything from a cold lunch to a copy service.
- A personnel manager can use the data to develop training programs and spot future labor supply problems.
- Advertising or marketing managers can see in these figures a more sophisticated and better-read consumer who may respond to more informative messages about products and services.

There are hundreds of other cases, but the point is always the same: If knowledge is power, information is opportunity. The wide distribution of inexpensive data on workers and markets provides everyone the opportunity to participate in this information-dominated society. The restriction or a sharply higher cost of such information is now as damaging to our economy as the restriction or rapid price increase of any other raw material.

The Office of Management and Budget, which as we know confronts a truly outrageous deficit problem, is considering eliminating the Monthly Labor Review. If it is successful, this miniscule savings of $150,000 will be offset by billions of unseen losses from a less efficient economy trying to operate without timely information. That is no way to cure a deficit.

Peter Francese

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New Developments

"New Developments" is featured each month as a service to employers and job seekers. It is a compilation of public announcements of the more significant new construction, grand openings, major hirings and layoffs, and other employer events that have special significance for Arizona labor markets. The announcements are paraphrased and otherwise edited from articles published in newspapers and other periodicals from throughout the state. "New Developments" are limited to space available, and no attempt is made to compile an exhaustive list of all such events that have occurred during the month.

CONSTRUCTION - Ground was broken recently on Glen-Harbor Business Park, the largest industrially-zoned project in Maricopa County. The 416-acre master-planned project is located at the northwest corner of Orangewood and 107th Avenue in Glendale. Valued at more than $400 million at build-out, it will include industrial, office, hotel, and retail uses. Glen-Harbor is a joint venture development of Kenland Development Company, Phoenix, and Del E. Webb Commercial Properties Corporation.

Construction has begun on Hayden Square Office Centre, an $11 million project that will open up an additional 74,000 square feet of office and retail space in Old Town Tempe, plus parking for more than 900 cars. Located on the west side of Mill Avenue between Third and Fifth streets, Hayden Square Office Centre is actively preleasing, with available suites ranging from 1,000 square feet to an entire floor at 15,000 square feet. "At present, the estimated 160,000 square feet of commercial space from Third Street to Sixth Street along Mill Avenue in downtown Tempe is completely occupied," says John Benton, managing partner for the project. "This new building will add approximately 50 percent more leasable space and First Class A offices to the area." Hayden Square Office Centre is part of the $25 million Hayden Square mixed-use condominium, retail, and office project scheduled for completion late this year.

Construction has begun on the 10.2-acre second phase of the Gainey Ranch Financial Center in Scottsdale, with Prudential Property and Casualty Insurance Company signing as the major tenant. Designed by Cormoyer-Hedrick Architects & Planners, Phoenix, the second phase is comprised of two two-story buildings totaling approximately 110,000 square feet. Located at 7333 East Doubletree Ranch Road, east of Scottsdale Road, the second phase is valued at about $24 million. Prudential, presently located at 5111 North Scottsdale Road, will relocate its western regional service office, Scottsdale field claim office, and 320 employees upon completion of the second phase in December. Prudential will initially occupy approximately 60,000 square feet. When complete, the Gainey Ranch Financial Center will total approximately 190,000 square feet of offices plus two contiguous one-acre parcels for smaller, freestanding buildings.

Plans to develop the Phoenix Airport Hilton have been announced with the hotel to be owned and developed by Hallmark Ventures, Incorporated and managed by Metro Hotels. Located on six acres, one-half mile from the new east entrance of Phoenix International Sky Harbor Airport, the four-story hotel will offer 262 rooms including 23 individual suites, 8,730 square feet of meeting and banquet space, a restaurant, nightclub, and health club. Phoenix Airport Hilton is part of the Phoenix Airport Center, a 60-acre master-planned business center which will include research, office, and light industrial facilities. Construction is expected to be completed in January 1987.

The Maricopa Community College District Governing Board has accepted a bid by Joe E. Woods, Incorporated of Mesa, for the construction of the Northeast Valley Education Center--the future greater Paradise Valley Community College. The campus will be located on a 90-acre site on the southeast corner of 32nd Street and Union Hills Drive. The initial phase of construction

calls for 10 buildings with a total of 175,000 square feet.

The 53,000 square-foot Learning Resource Complex will house a library, media center, learning assistance center, and microcomputer labs. Other buildings will include classrooms, laboratories, administrative offices, a student and community building, a fitness center, and a child care center. Construction is scheduled for completion in March 1987.

The 23-story United Bank Tower officially became the tallest building in Tucson in late February when, during a topping off ceremony held to mark the historic event, the last structural steel beam for the building's roof was put into place. The 230,000 square-foot tower will cost approximately $25 million when complete, according to Jim Llamas, vice president of Reliance Development Group Incorporated of New York, developer of Tucson City Center, a $150 million construction project in downtown Tucson, of which the United Bank Tower is part. He said that while the larger Tucson City Center will take at least five years to complete, the United Bank Tower will be finished by late fall. Ann Narcisian, public relations officer for United Bank, said "This (the tower) is part of the revitalization process. People are beginning to have faith again in the downtown area."

The first phase of development at Continental Ranch, a 2,800-acre community near Interstate 10 and West Cortaro Farms Road in Tucson began recently with construction of the Crescent Hotel of Tucson, the Phoenix-based hotel announced. The 280-room hotel, to be located on 28 acres, has been designed for a mix of about 35 percent leisure travelers and 65 percent corporate conferences and group meetings, according to Nikolaus O. Klotz, Crescent's president and chief executive.

The $28 million hotel, scheduled for completion next spring, will have two restaurants, about 10,000 square feet of meeting space, and will include a ballroom, four tennis courts, and a 4,000 square-foot health club. The buildings will vary in height from one to three stories. When fully developed, Continental Ranch will have nearly 6,000 housing units to accommodate about 14,000 residents. Commercial and industrial development is also scheduled for the site.

McDonnell Douglas Helicopter Company's expansion at the northwestern corner of Higley and McDowell in Mesa is in the final months of construction. The $100 million expansion will house the company's headquarters, which will be moved from Culver City, California. The new buildings include an advanced-development center and a 340,000 square-foot structure designed for 1,000 employees. East of it are a three-story engineering center, a 278,000 square-foot structure for 1,500 employees, and a 268,000 square-foot, three-story headquarters building for 1,100 people. To the north of these structures are a 23,000 square foot cafeteria, a 22,000 square-foot addition to the central building, and a 250,000 square-foot addition to the material center. Employees are to begin moving into the buildings this summer.

McDonnell Douglas has more than 3,000 employees in the Valley at present. Its current facility, which lies to the north of the expansion, totals 500,000 square feet. It was opened in 1983.

Work began the second week in April on a development to be called The Grove at Black Canyon, a $100 million, 18.25-acre mixed-use center north of Peoria Avenue and east of Interstate 17. It will feature an eight-story hotel and three office buildings. Phase I--a four-story, 100,000 square-foot office building valued at $13 million--is expected to be finished in December.

Treaccor Realty and Development Corporation plans to begin work on the infrastructure for its Northsight mixed-use development at Pima and Thunderbird roads in Scottsdale. Phase I will consist of 160 acres and phase II is planned for 141 acres. The project will include about 400,000 square feet of office space, and the company says it is negotiating with

major hotel chains for a proposed 250-room hotel. A retail component is also planned.

Dave Warren, a spokesman for Treaccor, said that about 47 acres of the first phase will be leased to a major employer. "Northsight I and II will be the only area in north Scottsdale where a major employer wants to be located," he said. "It is really the only place where someone has an opportunity for a really large parcel." Development plans call for a 10-acre park and 200 feet of landscaped buffer for adjoining neighborhoods.

More than $165 million in new resorts and other inns are to open in Tucson this year in yet another burst of rapid expansion for the tourism industry. The number of Tucson hotel rooms is expected to grow by 1,000 both this year and next year for a total of more than 14,000 rooms. That would be up more than 40 percent from the 10,000 rooms in Tucson in 1984, according to the Arizona Office of Tourism.

New lodgings on line include:

Stouffer Oro Valley Resort--east of La Canada Drive between Lambert Lane and Naranja Drive, this resort will feature 500 rooms, including 34 suites, and 32,000 square feet of meeting rooms. The estimated cost is more than $80 million.

Rancho Del Rio Hotel--on Sabino Canyon Road between Tanque Verde and Cloud Road next to the Tack Room, the hotel will have 162 rooms--mostly suites--and 8,400 square feet of meeting rooms. The projected cost is $30 million.

Crescent Hotel of Tucson--mentioned earlier, this hotel will have 219 of its 280 rooms open late this year. The cost is approximately $28 million.

Tucson Hilton--at East Broadway and Prudence, this hotel will have 239 rooms and 13,000 square feet of meeting rooms at a cost of $20 million.

Viscount Suite Hotel--located at 4855 East Broadway, this hotel will feature 216 suites with 3,600 square feet of meeting rooms. Construction is expected to cost more than $10 million.

In addition to the $165 million of new resorts and hotels under construction, Tucson also has had another four hotels open for business in the city since August of 1985. These include:

The Westin La Paloma--with 410 guest rooms, a presidential suite, 24 suites, 23 meeting rooms totaling 42,000 square feet, and an 18,500 square-foot ballroom, this resort opened in February at a total cost of $100 million.

Radisson Suite Hotel Tucson--has 310 suites and 12,400 square feet of meeting rooms. It opened last December and cost $24 million.

Hotel Park Tucson--has 217 rooms of which 136 are suites, and five meeting rooms covering 10,191 square feet. It opened in August 1985 at a cost of $22 million.

The Residence Inn--last of the recently opened hotels, it features 128 suites and 1,150 square feet of meeting rooms at a cost of $11 million.

The Tucson International Airport projects that 5 million passengers will arrive and depart annually by 2000. In 1985, passenger traffic at the airport was up 16 percent over 1984, with a total of 2.4 million passengers boarding or departing.

Pat Ziarnik, director of marketing and sales for the Metropolitan Convention & Visitors Bureau, says that having "a wide variety of hotels and resorts in a wide variety of styles offers tourists, convention delegates, and businessmen a choice based on what they want to accomplish, their pocketbooks, and the area of Tucson they want to be in." Still, "we need to pull back now, or at least give Tucson a year or two to have demand catch up with the availability," he says. He cites Scottsdale and Houston as examples of cities that have overbuilt hotels and resorts, and now offer reduced rates to draw guests.

In Tucson, fewer apartment complexes, office complexes, and shopping centers are being built as independent units. Rising land prices and a desire for long-term control of their projects are leading developers to form what they describe as "planned community cores." In the urban fringe it is the same, but on a bigger scale. Large developers, suddenly strengthened by outside venture capital that Tucson found hard to attract until it reached the 500,000 population level, are creating self-sufficient communities for both blue-chip and blue-collar families.

The small-scale versions are on major arterials in built-up areas. These are the planned communities cores, or sections of a city that have been deliberately developed with a mix of retail, commercial, service, or residental uses. On a larger scale, developers are ringing the urban fringe with projects that offer jobs, homes, shopping, and services at the doorstep. These projects are also providing the land for smaller builders who cannot afford massive tracts or their holding costs. At least 35 planned developments including industrial, commercial, and residential uses are in the works. They include:

Continental Farms--a proposed community of 50,000 residents east of Interstate 19 and across from Green Valley.

Rancho Vistoso--a proposed 14 square-mile community of 42,000 residents west of Catalina State Park near North Oracle Road.

Rocking K Ranch--a 5,400-acre planned community 20 miles southeast of downtown Tucson in the Rincon Valley. Developers say it is too early to tell how many residents can be expected.

Continental Ranch--a 2,800-acre planned development for 15,000 to 28,000 residents north of Ina Road near I-10.

Midvale Park--the first of the large-scale planned communites, consisting of 1,300 acres for 15,000 residents near I-19 and West Valencia Road.

Senesac--a 1,000-acre community for 8,000 residents bounded roughly by Naranja Drive to the north, Linda Vista Road to the south, Hartman Road to the east, and Camino Horizonte to the west.

La Reserve--1,200 acres for 3,000 residents at the northwestern base of Pusch Ridge.

Ventana Canyon--a 1,000-acre development for 3,000 residents near Sabino Canyon and Sunrise roads.

Large-scale developers have turned to such communities because home buyers are demanding a secure lifestyle where they would not have to fear zoning changes. Developers are buying the land in massive amounts as a hedge against rising land prices and stricter government regulations that are pushing up house prices.

MANUFACTURING - Technibilt, a leading manufacturer of 31 different models of shopping carts, announced that it will open an assembly and distribution center in Yuma. The company plans to employ about 50 people by September and serve 11 Western states. Yuma's location will permit overnight deliveries to a majority of the company's West Coast customers, according to Charles Little, general manager of the new operation.

Len Fuller, executive director of the Yuma Economic Development Corporation, noted that 50 employees could result in an estimated $490,000 aggregate personal income, an additional $368,000 in retail sales, 16 additional non-manufacturing jobs, and two new retail establishments. By the second year, combined total aggregate income and retail sales as a result of the plant are projected to exceed $1 million.

LAYOFFS - Honeywell Incorporated's Large Computer Products Division in Phoenix laid off 250 employees at the end of April, according to James Bloom, vice president and division general manager. He said, "While we continue to expect some strengthening in computer markets in the second half of the year, we must reduce operating expenses to maintain our competitive position in the long term." Honeywell employs 4,950 in Phoenix, including 2,950 with the Large Computer Products Division.

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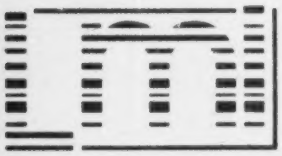

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